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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/819,210	03/28/2001	Eiji Kawai	450100-03085	2355

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EXAMINER

VIG, NARESH

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 12/03/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/819,210

Applicant(s)

KAWAI, EIJI

Examiner

Naresh Vig

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 November 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 3, 6 - 13, 15 - 22 and 27 - 33 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

- 5) ☐ Claim(s) _____ is/are allowed.

- 6) ☒ Claim(s) 1, 3, 6 - 13, 15 - 22 and 27 - 33 is/are rejected.

- 7) ☐ Claim(s) _____ is/are objected to.

- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ 6) ☐ Other: _____

DETAILED ACTION

This is with reference to the Applicant's response received on November 2002 to the Office Action mailed on 20 September 2002. There are 25 claims i.e. 1, 3, 6 – 13, 15 – 22 and 27 – 33 are pending for examination.

Examiner has received and considered the translation on Japanese Patent Application No. 2000-092205 with the certificate dated 29 October 2002

Oath/Declaration

Examiner has not received a signed copy of the declaration as mentioned in Applicant's reply to the office action mailed on 08 May 2001 received by the US Patent and Trademark office on 09 July 2001. Applicant is requested to resubmit a copy of the signed declaration mailed with the reply to the US Patent and Trademark office action mailed on 08 May 2001.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

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invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 27 and 28 are rejected under 35 USC 103(a) as being unpatentable over broadcasting service provider DISH Network "www.dishnetwork.com" hereinafter known as DishNetwork in view of an article from Mark Lillycrop hereinafter known as Mark and in further view of press release from Hewlett Packard Company hereinafter known as HP.

Regarding claims 1 DishNetwork discloses a method and system for sales activity for selling their broadcast accessing equipment to allow subscribers to access their services. DishNetwork system allows users to purchase the equipment directly from the factory (via internet or telephone), or, from a local dealer. Customers have choice of equipments they can purchase, and pay accordingly for the equipment they have purchased. DishNetwork system offers choice of program service packages, and allows the customers to select service they want. In addition to packaged services, DishNetwork system allows users to select from optional services for additional monthly charges.

DishNetwork does not disclose setting amount of money to manufacturer based upon usage. However, Mark discloses in his article that one encouraging innovation that has emerged from the unpredictable world of e-commerce is Capacity on Demand (COD), only activated and paid for when the user needs it. In some cases capacity can be switched on and off at will, to cater for seasonal peaks. "Capacity on Demand first

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appeared with IBM's S/390 and RS/6000, but the concept is now proving popular.

Hewlett-Packard and Sun recently announced similar offerings".

In addition, HP announced the availability of new instant capacity on demand (iCOD) products for customers ranging from start-up businesses to high end corporates. HP discloses that the announcement comes in response to the needs of many new and dynamic businesses who either need to handle fluctuating Internet loads, such as the '.coms', or need "instant" capacity to cope with the introduction of new web-based products like banks and financial institutions. HP states that its iCOD solutions allow customers to instantly tap into additional CPUs and therefore add additional capacity to their server environments. These new products bring real benefits to organizations needing to respond quickly to changing business demands: they allow customers to use only the processors they need paying for the additional server capacity on a "pay as you go" basis; they also give them higher server availability and protect an organization's investment in their hardware by allowing them to activate a "hot spare" in case of a CPU failure. Therefore, it is known at the time of invention to a person with ordinary skill in the art to pay manufacturer based upon usage to save on infrastructure implementation cost by leasing the equipment based upon usage. For example, if customer does use the extra capacity available, then the customer does not pay for it.

Regarding claims 27 – 28, DishNetwork discloses that a user can purchase the essential equipment at a current offered price directly from the factory, or, through a local retailer or a dealer. DishNetwork does not disclose its dealers to have a method or system to set selling price for the essential equipment, although, DishNetwork disclose to ask the users to contact the retailers and distributors directly to review the available options. It is inherent that dealers have method and system to offer current sales prices for selling the essential equipment to their customers. The sales price may include any special offerings from the dealer in addition to the offering from DishNetwork.

DishNetwork discloses that users can purchase the equipment over the internet, DishNetwork does not disclose to collecting sales information. However, it is obvious that when a sale is conducted over the internet that product information, customer information, shipping details etc. are received from the customer to ship the equipment ordered by the customer at the address provided and also to collect funds for the equipment shipped.

In addition DishNetwork does not disclose to amount of money it pays to the manufacturer based upon sales information (product delivery information).

However, HP discloses that its iCOD solutions allow customers to instantly tap into additional CPUs and therefore add additional capacity to their server environments. These new products bring real benefits to organizations needing to respond quickly to changing business demands: they allow customers to use only the processors they need paying for the additional server capacity on a "pay as you go" basis; they also give them higher server availability and protect an organization's investment in their

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hardware by allowing them to activate a "hot spare" in case of a CPU failure. Therefore, it is known at the time of invention to a person with ordinary skill in the art to pay manufacturer based upon usage to save on infrastructure implementation cost by leasing the equipment based upon usage. For example, if customer does use the extra capacity available, then the customer does not pay for it.

Claims 3, 6 – 11, 12 – 13, 15 and 29 – 33 are rejected under 35 USC 103(a) as being unpatentable over broadcasting service provider DISH Network hereinafter known as DishNetwork in view of an article from Mark Lillycrop hereinafter known as Mark and in further view of press release from Hewlett Packard Company hereinafter known as HP.

Regarding claims 12, 29, 9, 13, 15, DishNetwork discloses a method and system for sales activity for selling their broadcast accessing equipment to allow subscribers to access their services. DishNetwork system allows users to purchase the equipment directly from the factory (via internet or telephone), or, from a local dealer. Customers have choice of equipments they can purchase, and pay accordingly for the equipment they have purchased. DishNetwork system offers choice of program service packages, and allows the customers to select service they want. In addition to packaged services, DishNetwork system allows users to select from optional services for additional monthly charges.

DishNetwork requires users to connect the receiver to an active telephone line to ensure uninterrupted service and to provide Dish-On-Demand pay-per-view movies. It is obvious that when the customer wants to order a pay-per-view movie, customer inputs the selection in the receiver, and, the receiver sends requests for pay-per-view movie over the telephone line. DishNetwork bills the customer for pay-per-view movies ordered by the customer (usage of additional resources).

DishNetwork does not disclose means for storing the usage information. However, it is known at the time of invention that DishNetwork bills its customers on monthly intervals. Therefore, it is obvious to a person with ordinary skill in the art to store the usage information, and, use the stored usage information to bill the customer accordingly.

DishNetwork does not disclose setting amount of money paid to manufacturer based upon usage. However, Mark discloses in his article that one encouraging innovation that has emerged from the unpredictable world of e-commerce is Capacity on Demand (COD), only activated and paid for when the user needs it. In some cases capacity can be switched on and off at will, to cater for seasonal peaks. "Capacity on Demand first appeared with IBM's S/390 and RS/6000, but the concept is now proving popular. Hewlett-Packard and Sun recently announced similar offerings".

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loads, such as the '.coms', or need "instant" capacity to cope with the introduction of new web-based products like banks and financial institutions. HP states that its iCOD solutions allow customers to instantly tap into additional CPUs and therefore add additional capacity to their server environments. These new products bring real benefits to organizations needing to respond quickly to changing business demands: they allow customers to use only the processors they need paying for the additional server capacity on a "pay as you go" basis; they also give them higher server availability and protect an organization's investment in their hardware by allowing them to activate a "hot spare" in case of a CPU failure. Therefore, it is known at the time of invention to a person with ordinary skill in the art to pay manufacturer based upon usage to save on infrastructure implementation cost by leasing the equipment based upon usage. For example, if customer does use the extra capacity available, then the customer does not pay for it.

Regarding claims 7 and 8, it is notoriously known that DishNetwork is a broadcasting service provider and offers choice of programming packages to a customer. DishNetwork discloses of collecting charge from the user for the package the customer has selected. In addition to charges for selected package, DishNetwork offers different optional packages and collects charge from the user accordingly.

DishNetwork does not disclose collecting actual telephone call charge from the user, instead, DishNetwork provides toll free number for users to contact their customer

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service. It is obvious at the time of applicant's invention to a person with ordinary skill in the art to replace toll free number with a fee based telephone number (1-900 number) and charge customers for the telephone calls to decrease amount of unnecessary calls.

Regarding claim 11, 31, 10 DishNetwork discloses that a user can order a DISH-On-Demand (Pay Per View) using the remote control and following step-by-step instruction on the electronic program guide (displayed on the TV). Also, DishNetwork requires the receiver to be connected to a telephone line for uploading the information to DishNetwork for billing.

Regarding claim 30, DishNetwork discloses that users can purchase the equipment over the internet, DishNetwork does not disclose to collecting sales information. However, it is obvious that when a sale is conducted over the internet that product information (model number, quantity etc.), customer information, shipping details etc. are received from the customer to ship the equipment ordered by the customer at the address provided and also to collect funds for the equipment shipped.

Also, DishNetwork does not disclose means for storing the part delivery information. However, it is known at the time of invention that DishNetwork tracks the customer and their equipment information. Therefore, it obvious that DishNetwork has

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storage means to store information (usage, delivery, billing etc.) to manage their accounting and bill the customers accordingly.

In addition DishNetwork does not disclose to amount of money it pays to the manufacturer based upon sales information (product delivery information). However, HP discloses that its iCOD solutions allow customers to instantly tap into additional CPUs and therefore add additional capacity to their server environments. These new products bring real benefits to organizations needing to respond quickly to changing business demands: they allow customers to use only the processors they need (programming ordered) paying for the additional server capacity on a "pay as you go" basis; they also give them higher server availability and protect an organization's investment in their hardware by allowing them to activate a "hot spare" in case of a CPU failure. Therefore, it is known at the time of invention to a person with ordinary skill in the art to pay manufacturer based upon usage to save on infrastructure implementation cost by leasing the equipment based upon usage. For example, if customer does use the extra capacity available, then the customer does not pay for it.

Regarding claims 3 and 6, DishNetwork does not disclose license agreement with the manufacturers of different components of the system. Although, DishNetwork discloses that it works with various suppliers. For example "Engineering and Technical Services, Inc. of Melbourne, Florida and TIW Services, Inc. of Santa Clara, California provided all satellite earth station equipment. TIW supplied Echostar (parent company

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of DishNetwork) with four, 13-meter, TV uplink antennas for its direct broadcast satellite service. "

Also, DishNetwork discloses that it offers retailers and consumers a single, seamless point of sale for programming, required hardware, and installation. Programming includes a wide variety of packaging options to suit a multitude of consumer viewing preferences and budgets, and, hardware components include an 18" satellite dish with LNBF (Low Noise Block with Feed). a programmable remote, and an MPEG-2/DVB digital satellite receiver (set-top signal descrambler). These components are supplied by different suppliers. Therefore, it is inherent that DishNetwork has agreement with its suppliers, content providers, installers dealers to make the system successful.

Regarding claim 32, DishNetwork discloses to offer tier pricing and allows customers to customize their subscription. For example customers can add 1 optional package for \$10.99, 2 packages for \$19.99 and maximum (limit) for all 4 packages for \$ 34.99.

Regarding claim 33, DishNetwork does not disclose to amount of money it pays to the manufacturer based upon revenue collected. However, HP discloses that its iCOD solutions allow customers to instantly tap into additional CPUs and therefore add

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additional capacity to their server environments. These new products bring real benefits to organizations needing to respond quickly to changing business demands: they allow customers to use only the processors they need paying for the additional server capacity on a "pay as you go" basis; they also give them higher server availability and protect an organization's investment in their hardware by allowing them to activate a "hot spare" in case of a CPU failure. It is obvious that customers can call customer service for unauthorized charges etc. and get credit for those expenses on their bill (adjusted potential revenue). Therefore, it would have been obvious at the time of invention to a person with ordinary skill in the art to pay manufacturer based upon revenue collected to minimize loss by over paying the manufacturer for the service credits given to the customers.

Claims 16 – 22 are rejected under 35 USC 103(a) as being unpatentable over broadcasting service provider DISH Network hereinafter known as DishNetwork.

Regarding claims 16 and 17, DishNetwork discloses method for sales activity for selling their equipment to allow subscribers to access their services. DishNetwork system allows users to purchase the equipment directly from the factory (via internet or telephone), or, from a local dealer.

DishNetwork controls the manufacture of the equipment by identifying the receiver box with a Serial Number, and, each receiver box requires a smart card which has its own identification. In addition, selling price offered by DishNetwork dealers may include any special offerings from the dealer in addition to the offering from DishNetwork.

Customers have choice of equipments they can purchase, and pay according to the equipment they have purchased. DishNetwork system offers choice of services and allows the customers to select service they want. In addition to packaged service, DishNetwork system allows users to select from optional services for additional monthly charges.

DishNetwork does not disclose setting amount of money paid to manufacturer (price can be based upon agreed selling price, lease terms, usage etc.). However, it is obvious that service providers pay their suppliers according to agreed upon terms in the sales contract to compensate the equipment manufacturers for their equipment. For example, service provider may buy the equipment at 50% discount and sell it to the customer at list price, customer leases the equipment and pay the manufacture or equipment supplier agreed upon monthly rent etc.

Regarding claim 17, DishNetwork does not disclose license agreement with the manufacturer. Although, DishNetwork discloses that an interested person can contact them to get the information on becoming a dealer. It is notoriously know that

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manufacturers sell products directly to consumers. For example Dell Computers selling peripherals like printers and monitors in addition to the products they manufacture. It is inherent that there is a licensing agreement when a dealership is formed.

Regarding claims 18 and 19, DishNetwork does not disclose that the essential parts for the equipment are supplied by the part manufacturers to the manufacturer. It is notoriously known that the manufacturers purchase the parts they need from suppliers. For example, a manufacturer purchases Printed Circuit Board (PCB) from a supplier, memory chips from another supplier, and yet shell casing from another supplier.

Also, DishNetwork discloses that a user can purchase the equipment at a current offered price directly from the factory or through a local retailer or a dealer. DishNetwork does not disclose its dealers to have a method or system to set selling price for the essential equipment, although. DishNetwork discloses to ask the user to contact the retailers and distributors directly to review the available options. Therefore, it is inherent that dealers have method and system to offer their own sales prices for selling the essential equipment to their customers. The sales price may include any special offerings from the dealer in addition to the offering from DishNetwork.

Regarding claims 20 – 22, it is known at the time of invention to a person with ordinary skill in the art that DishNetwork is a broadcasting service provider and offers

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choice of programming packages to a customer. DishNetwork discloses of collecting charge from the user for the package the customer has selected. In addition to charges for selected package, DishNetwork offers different optional packages and collects charges from the user accordingly.

DishNetwork does not disclose collecting actual telephone call charge from the user, instead, DishNetwork provides toll free number for users to contact their customer service. It is obvious at the time of applicant's invention to a person with ordinary skill in the art to replace toll free number with a fee based telephone number (1-900 number) and charge customers for the telephone calls to decrease amount of unnecessary calls.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

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the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

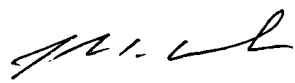
1. HP Plans "Capacity On Demand" chip plan
2. Airspan Unveils AS400 Wireless Local Loop Solution With Demand-Assigned Air Interface At CTIA
3. Pan European Crossing Fact Sheet

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Naresh Vig whose telephone number is 703.305.3372. The examiner can normally be reached on M-F 7:30 - 5:00 (Alt Friday off).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 703.308.2702. The fax phone numbers for the organization where this application or proceeding is assigned are 703.305.7687 for regular communications and 703.305.7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703.305.3900.

December 2, 2002


JOHN G. WEISS
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600